

SPECIAL HANDLING



No. 63-076

22 August 1963

DEFINITIVE CONTRACT

Contract No. IK-4666

ITEK Corporation
Lexington, Massachusetts

Contract for: See Schedule

Mail Invoices to:

Performance Period: See Schedule

Administrative Data:

This contract is entered into, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and the above-named Contractor which is a Corporation, incorporated in the State of Delaware, hereinafter called the Contractor.

The parties hereto agree that the Contractor shall furnish the necessary facilities and deliver all supplies and shall perform all the services set forth in the attached schedule issued hereunder for the consideration stated therein.

The rights and obligations of the parties of this contract shall be subject to and governed by the attached Schedule and General Provisions, which together with this signature page and the accompanying certificate comprise this Contract No. IK-4666. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of
5 September, 1963.

Signatures:

ITEK CORPORATION

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BY

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Executive Vice President

THE UNITED STATES OF AMERICA

BY

Title Contracting Officer

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CERTIFICATE

I, , certify that I am the
 Controller of the Corporation named
as Contractor herein; that
who signed this contract on behalf of the Contractor was then
 Executive Vice President of said Corporation; that
said contract was duly signed for and in behalf of said Corp-
oration by authority of its governing body, and is within the
scope of its Corporate powers.

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 (Corporate Seal)

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SPECIAL AGENT

SPECIAL TRAINING

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SPECIAL REPORT

Contract No. IK-4666

SCHEDULE

PART I - SCOPE OF WORK

The Contractor shall furnish the necessary facilities, materials and services to accomplish the work set forth in EXHIBIT "A" attached hereto and made a part of this contract.

PART II - DELIVERY

Contractor shall furnish the work set forth in EXHIBIT "A" in accordance with the provisions thereof.

PART III - ESTIMATED COST AND FIXED FEE

a. The total estimated target cost for the performance of this contract, exclusive of the fixed fee is \$4,455,775.00 and shall be subject to adjustment pursuant to the provisions of the Clause hereof entitled "ALLOWABLE COST, INCENTIVE FEE AND PAYMENT".

b. The total target fee for the performance of this contract is \$310,497.00 and shall be subject to adjustment pursuant to the provisions of the Clause hereof entitled "ALLOWABLE COST, INCENTIVE FEE AND PAYMENT".

PART IV - PAYMENT

a. In accordance with the provisions of Clause 4 of the General Provisions of this contract entitled "ALLOWABLE COST, INCENTIVE FEE AND PAYMENT", the Government shall pay the Contractor, as full compensation for the performance of this contract, the incentive fee as specified in PART III above, and the Allowable Cost incurred by the Contractor in performance of this contract, and accepted by the Contracting Officer as chargeable in accordance with "Contract Cost Principles, Section XV, Part 2, Armed Services Procurement Regulation"; such determination being subject to the provisions of this contract entitled "Disputes." It being understood and agreed, without limiting the generality of the foregoing, that the following shall be considered as allowable items of cost incurred or paid by the Contractor, and when necessary and required and used for the performance of work hereunder:

(1) Premium costs for overtime work shall be an allowable item of cost hereunder.

(2) There shall be included as allowable indirect costs through overhead, Contractor Research and Development costs as are deemed reasonable and approved by the Contracting Officer in accordance with ASPR XV, Part 2, in effect the date of this contract.

(3) Costs of shipping charges of equipment procured hereunder from Contractor's plant to final destination shall be an allowable cost hereunder. Such costs have not been included in the estimated cost stated in Part 3 hereof. Such non-fee-bearing costs may be claimed by the Contractor for an adjustment in the estimated target costs. The amount by which the target costs become adjusted for this reason shall be excluded from the fee adjustment calculation defined in Paragraph (1) of Article 4 entitled "ALLOWABLE COST, INCENTIVE FEE AND PAYMENT."

b. For purposes of billing current costs incurred under this contract or until such time as an audit of Contractor's interim or final vouchers or invoices are made by the Contracting Officer or his duly authorized representative, the Contractor shall use those rates currently approved by the cognizant Military Department for billing purposes under CPTF contracts.

c. Contractor shall be paid the fee stated in PART III hereof in monthly installments based on allowable costs incurred by the Contractor and approved by the Contracting Officer computed at the same ratio that the total fee stated herein is to the total estimated cost stated herein, subject, however, to the withholding provisions of paragraph (c) of Clause 4 of the General Provisions hereof.

PART V - WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whensoever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval by the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART VI - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature of any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of

this contract to the contrary, the Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

PART VII - GOVERNMENT-FURNISHED FACILITIES AND PROPERTY

a. Contractor is authorized to use on a no-charge-for-use basis those facilities furnished or to be hereinafter furnished under Air Force Facilities Contract No. AF33 (600)-8886, provided such use does not interfere with the purpose for which such facilities are furnished.

b. Contractor is also authorized to use on a no-charge-for-use basis such items of special tooling, test equipment and facilities generated under any other contract between the parties hereto.

c. The Government shall also furnish those items of equipment set forth in Exhibit "A" which are to be retained by the Contractor for the performance of the work called for herein.

d. This contract does not include the use of any panoramic camera residual inventory from Contract No. BT-1943. However, at such time as such residual inventory may no longer be required by the Contractor to insure performance under Contract BT-1943, or the final residual inventory list is available from Contract No. BT-1943, the Contractor will review such inventory for possible use under this contract and shall so inform the Contracting Officer that such material has been or can be transferred in order that appropriate disposition action may be accomplished.

PART VIII - PROGRAM MANAGEMENT AND SYSTEMS ENGINEERING AND TECHNICAL DIRECTION

a. The Contractor shall plan and conduct program development, design, tests, and manufacturing leading toward the attainment of the Panoramic Camera Subsystem described in Contractor Specification No. 55155 dated 7 March 1963.

b. Management of the program is the joint responsibility of several Agencies of the Government. In the interest of effective management, however, technical direction shall be provided by SAFEP through the 162 Program Office of the Air Force Space Systems Division as the agent for all interested Agencies of the Government. The 162 Program Office established in SSD will be the single day-by-day point of contact with the Contractor.

c. The role of the Systems Engineering Contractor as pertains to systems engineering, approval of systems requirements, and acceptance of deliverable equipment, is herein recognized. Detailed functions and responsibilities of SE/TD are contained in Document SP3-279, Operating Procedures of SE/TD, dated 10 June 1963, said document being incorporated herein by reference.

PART IX - OVERTIME

It is recognized that extensive overtime and extra-shift premium wage payments will be required in order to fulfill the performance schedule of the contract. The Contractor agrees to limit such overtime and extra-shift utilization, insofar as practicable, consistent with meeting such schedule. Therefore, no restrictions are imposed on such utilization and prior approvals therefore are not required.

PART X - GENERAL PROVISIONS

The rights and obligations of parties of this contract shall be subject to and governed by the General Provisions (as amended) which are contained in and are a part of this Contract No. IX-4666, including the amendments to Article 4, "ALLOWABLE COST, INCENTIVE FEE AND PAYMENT (May 1961)" and the understanding that the requirements of paragraph a) and b) of Article 8, "SUBCONTRACTS" shall be \$50,000 for fixed-price subcontracts and \$10,000 for all cost-type subcontracts. No other subcontracts shall require such approval.

PART XI - CLEAN ROOM

It is agreed between the parties hereto that the Contractor will not claim reimbursement for costs in excess of \$30,000.00 for clean room improvements.

PART XII - FUNDING

There has been allotted for the performance of this contract the sum of \$1,600,000.00 said amount to cover performance of the work hereunder for the period of contract inception through 30 October 1963. Notwithstanding the provisions of Part III of this contract, the maximum amount for which the Government shall be liable if this contract is terminated is \$1,600,000.00 and any expenditure or obligation by the Contractor in excess of said amount in furtherance of performance hereunder, shall be at the Contractor's own risk.

PART XIII - ACCEPTANCE

The fifth sentence in Item 6 of the Work Statement, Exhibit "A", is deleted and the following substituted therefor: "The DD Form 250, when executed by the Government, shall constitute final acceptance, subject however to the provisions of Clause 5 of the General Provisions and, subject further to the requirement for field support of delivered equipment.

PART XIV - EFFECTIVE DATE

The effective date of this contract is 1 June 1963.

Contract No. IK-4666

4. ALLOWABLE COST, INCENTIVE FEE, AND PAYMENT (May 1961)

(a)(1) For the performance of this contract, the Government shall pay to the Contractor.

(1) the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with --

(A) Part 2 of Section XV of the Armed Services Procurement Regulation as in effect on the date of this contract; and,

(B) the terms of this contract; and

(11) a fee determined as provided in this contract.

(2) The target cost and target fee of this contract are set forth in the Schedule and shall be subject to adjustment in accordance with (h) and (i) below. As used throughout this contract the term:

(1) "target cost" means the estimated cost of this contract initially negotiated, adjusted in accordance with (h) below; and

(11) "target fee" means the fee which was initially negotiated on the assumption that this contract would be performed for a cost equal to the estimated cost of this contract initially negotiated, adjusted in accordance with (h) below.

(b) Once each month (or at more frequent intervals, if approved by the Contracting Officer) the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require an invoice or voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost.

(c) Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of (d) below make payment thereon as approved by the Contracting Officer. Payment of fee shall be made to the Contractor as specified in the Schedule; PROVIDED, however, that after payment of ninety-five percent (95%) of the minimum fee provided for in (i) below, further payment on account of the fee shall be withheld until a reserve of either fifteen percent (15%) of the target fee, or one hundred thousand dollars (\$100,000), whichever is less, shall have been set aside.

(d) At any time or times prior to final payment under this contract, Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable

cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

(e) On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of (f) below), the Government shall promptly pay to the Contractor any balance of allowable cost, and any part of the fee which has been withheld pursuant to (c) above or otherwise not paid to the Contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

(f) The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this contract shall be paid by the Contractor to the Government, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Contracting Officer. Prior to final payment under this contract, the Contractor and each assignee under this contract whose assignment is in effect at the time of final payment under this contract shall execute and deliver:

(i) an assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the contractor has been reimbursed by the Government under this contract; and

(ii) a release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions --

(A) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;

(B) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; PROVIDED that such claims are not known to the Contractor on the date of the execution of the release; and PROVIDED FURTHER that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

(C) claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent

liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

Payments under the assignment and the claims excepted from the release shall be subject to adjustment by reason of the adjustment of fee in accordance with (i) below.

(g) Any cost incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provision contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or material to be furnished by the Contractor at its expense or without cost to the Government.

(h) When the work under this contract (including any supplies or services which are ordered separately under, or otherwise added to, this contract) is increased or decreased by contract modification, appropriate adjustments in the target cost and target fee shall be set forth in an amendment or supplemental agreement to this contract.

(i) The fee payable hereunder shall be the target fee increased by twenty cents (\$.20) for every dollar by which the total allowable cost is less than the target cost or decreased by twenty cents (\$.20) for every dollar by which the total allowable cost exceeds the target cost. In no event shall the fee be greater than 9%, nor less than 5.6% of the target cost; and within these limits such fee shall be subject to adjustment by reason of increase or decrease of total allowable cost, on account of payments under the assignment required by (f) (i) above, and claims excepted from the release required by (f) (ii) above.

(j) Compensation for supplies (including spare parts) and services which are to be furnished under this contract pursuant to a provisioning document or Government option shall be determined in accordance with the provisions of this clause notwithstanding any inconsistent provision in such provisioning document or Government option.

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